

Annual \$25 Child Support Collection Fee Change

Effective October 1, 2008, the Department of Human Resources (DHR) will automatically deduct, from child support payment(s), the annual \$25 per case fee owed by child support applicants. This fee applies only to applicants where at least \$500 in child support has been distributed by the DHR Child Support Enforcement Program in a fiscal year (October 1 – September 30), and the applicant for child support services has never received welfare. Initially, applicants who owed the annual \$25 fee were sent a billing letter each quarter asking them to remit payment of the fee to DHR.

This annual collection fee change could have a negative impact on child support payments where fees have not been paid for October 1, 2006 through September 30, 2008. In cases where annual collection fees were owed and not paid for fiscal year 2007 and fiscal year 2008, the annual fee for each year, and each case the fee was not paid, will be deducted from child support payments received after October 1, 2008.

The federal law that created this fee is the result of legislation included in the Deficit Reduction Act (DRA) passed by the United States Congress in 2005 and signed into law February 8, 2006. The effective date of this law was October 1, 2006. The Department of Human Resources began collecting the annual \$25 child support fee in 2007.

The \$25 annual collection fee is mandatory and was implemented to reduce the federal cost of administering the child support enforcement program. This federal law is not a result of any action by the Governor of Alabama or the Alabama Legislature. Every state is required to comply with this federal law passed by U.S. Congress in 2005.